

# NYC's Workforce Development Organizations

## Resilient through Covid-19 & Essential for Economic Recovery



Lina Moe & Angelina Garneva  
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NEW YORK CITY  
Employment &  
Training Coalition

THE  
NEW  
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## **NYC Employment and Training Coalition (NYCETC)**

NYCETC supports the workforce & economic development community to ensure that every New Yorker has access to the skills, training & education needed to thrive in the local economy, and that every business is able to maintain a highly skilled workforce. Founded in 1997 as the membership organization for New York City workforce providers, NYCETC has played a vital role in the workforce community, focused on advancing policy priorities and convening the sector to build capacity by sharing information and best practices.

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The Center for New York City Affairs at The New School is an applied policy research institute that drives innovation in social policy. The Center provides analysis and solutions, focusing on how public policy impacts low-income communities, and striving for a more just and equitable city.

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# Table of Contents

<b>I</b>	<b>OVERVIEW</b>	<b>4</b>
<b>II</b>	<b>WORKFORCE DEVELOPMENT ORGANIZATIONS: OVERVIEW OF EMPLOYMENT SERVICES &amp; EDUCATIONAL PROGRAMS BEFORE &amp; DURING COVID</b>	<b>7</b>
<b>III</b>	<b>NYC'S COVID-19 ECONOMY &amp; LABOR MARKET</b>	<b>9</b>
<b>IV</b>	<b>OPERATIONAL CHALLENGES DURING THE PANDEMIC</b>	<b>10</b>
	Training Essential Workers	
	Meeting Increased Community Demand	
<b>V</b>	<b>COVID-19 IMPACT ON WORKFORCE DEVELOPMENT ORGANIZATIONS</b>	<b>12</b>
	Equity Issues	
	Budgetary Challenges	
<b>VI</b>	<b>REMOTE TRAINING &amp; PROGRAMS: HURDLES, ADAPTATIONS, &amp; OPPORTUNITIES</b>	<b>15</b>
	A Growing Digital Divide: Challenges for Workers and Students Accessing Remote Training	
<b>VII</b>	<b>CONCLUSION</b>	<b>18</b>

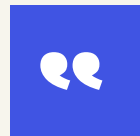
## 1. Overview

Even with the vaccine rollout and the piecemeal lifting of Covid-related business restrictions, New York City will face a profound public policy challenge of reconnecting tens of thousands of displaced workers to employment, supporting businesses in (re)hiring skilled employees, and helping both employers and employees navigate and adapt to the Covid and post-Covid economy. The massive scale of job loss and its long duration pose unprecedented challenges, as does the uncertainty around how remote work and other industry changes will affect entry-level and younger workers in the post-Covid labor market.<sup>1</sup>

As New York City begins to recover, thousands of its workers may need help reentering the workforce, finding full-time jobs, and navigating the changes Covid-19 has wrought on the labor market. Workforce development organizations play a crucial role in connecting workers to the labor market and serving those New Yorkers who face high barriers to employment, including those whom Covid has forced into long-term unemployment. Workforce organizations are vital resources with decades of experience, deep community knowledge, and the ability to adapt training, education, and placement programs to best connect new and dislocated workers to the shifting opportunities of the labor market.

And yet, these vital organizations are under severe pressure, meeting increased community and worker need while weathering budget cuts, staff layoffs, and furloughs. At the same time, these organizations have shown remarkable resilience throughout the pandemic, developing new ways for people to access programs remotely, as well as adapting their trainings to the changing job market. With these organizations expected to be a pivotal part of the city's recovery, a thorough understanding of the budget and capacity needs of workforce development organizations will aid in plotting a path toward a just and equitable economic rebound and a return to sustained low unemployment with wage gains.

This report digests important insights from a survey conducted toward the latter part of 2020 by the New York City Employment and Training Coalition (NYCETC), the largest city-based workforce development coalition in the U.S. The coalition's 180+ member organizations collectively represent decades of embedded knowledge about the communities, workers, and families they serve with professional placement, education, and training programs. Since the onset of the Covid-19 pandemic, workforce development organizations' expertise and experience have been crucial for meeting community need for employment assistance. Many workforce organizations have pivoted to online programming, developing new digital infrastructures and curricula to continue to train and connect people to employment throughout the pandemic. Many of the sectors that these workforce development organizations train workers for are essential industries, as



“Our goal is not to go back to how it was, because how it was led us to how it is now. **In pursuit of a full and equitable economic recovery for all New Yorkers, we must work directly with community-based organizations and invest in workforce development.** This increased commitment is key to addressing the economic fallout from Covid-19 and essential for both new entrants to the workforce and for those transitioning between industries. By investing in a variety of training programs, as well as sector-specific hard-skills training, we ensure our workforce is flexible both in meeting the demands of a radically changed marketplace and providing appropriate opportunities for people to join growing industries in an evolving post-pandemic economy.”

— **NYC Council Member Carlina Rivera**

<sup>1</sup> For example, a February 2021 report, “The Future of Work After COVID-19,” released by the McKinsey Global Institute found that up to 25 percent more workers may need to switch occupations than before the pandemic and the retraining challenge may be harder in a post-Covid world. Some 3.8 million people, many being younger workers, may have to make an occupation transition by 2030 ([www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-after-covid-19](https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-after-covid-19)).



“Last June was rough; we saw State and City discretionary funding disappear and we had to do layoffs and salary reductions. We also saw foundation support diminish and the PPP loan was life-saving. Since we can’t put services on hold, we had to just make it work. We continued to advocate with the City and with foundations, as well as our local Congress members to underscore the importance of our work. Federal contracts were helpful when City and State dollars were held up. But we’re concerned about the coming year and the next 3-5 years because we partner with a lot of small businesses across the city for internships and for employment. **Our success is linked to the local economy.** So, we need the local economy to bounce back, but at the same time we need to emphasize: **There’s a lot of talk about jobs, but not enough talk about training.**”

— Workforce Service Provider

defined by the State of New York. The majority of the workers served by these longstanding neighborhood institutions are low-income workers of color who have been disproportionately impacted by the twin health and economic crises. Yet amid decreases in City, State, and private funding, these organizations have had to meet increased demand for their services with fewer staff members, tightened budgets, and resources that have been stretched to meet the spatial, cleaning, and personal protective equipment (PPE) needs of their clients and workers.

This report situates the struggles and accomplishments of the workforce development sector in the economic landscape of this past year’s job losses, dramatic shifts in patterns of work, and the unequal and disproportionate consequences the pandemic had for the most vulnerable New Yorkers. Detailing the industries that have seen the greatest job losses and the demographics that have experienced the highest toll in lost work and lost income, this report points out the areas of the labor market gutted by the pandemic as well as those in which the training and educational programs of New York City’s workforce development industry will be essential for the city’s recovery.

These workforce development organizations will be powerful actors as New York City continues to endure

the challenges of Covid-19. They will be even more critical as the city begins to recover from its present health crisis and economic recession. In order for the economic recovery to be both robust and just, organizations like those surveyed here need strong budgetary and legislative support so they can reach the workers and communities most in need. This report summarizes the results of a survey conducted between August and October 2020 to assess the adaptations job training and placement programs have made throughout the pandemic. After briefly outlining the employment, education, and training services provided by 54 workforce development organizations in New York City, we identify where those program offerings overlap with the provision of essential services and trace the changes in client demand for professional placement and education services catalyzed by the changing health and economic landscape. This survey demonstrates the adaptations organizations have made to create safe work conditions, including developing online curricula, while coping with dramatic challenges that have necessitated staff layoffs, furloughs, and other reductions in staffing. Thus, this survey sheds light not only on the training and employment needs of New Yorkers, but also on the need to commit to funding the workforce development organizations that will be crucial for New York City’s economic recovery.



## New Yorkers in Need

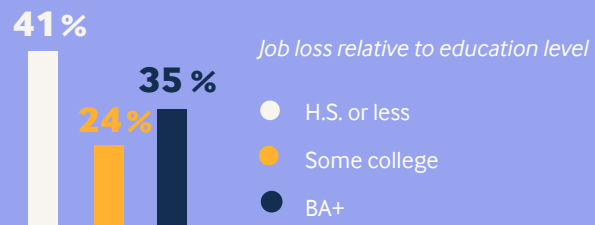
New York City was the first national epicenter for the Covid-19 crisis, and New Yorkers continue to face deep challenges. The dual health and economic consequences of the pandemic have had uniquely destructive consequences on our local and national economy, and magnified flaws and inequities that have long held New Yorkers -- and especially Black and Brown New Yorkers; immigrant New Yorkers; low- and moderate-income New Yorkers; New Yorkers with disabilities, criminal justice histories or any of myriad systemic barriers to employment and economic participation -- back from thriving in our city.

### New Yorkers impacted by the pandemic & workforce program clients are<sup>2</sup> --

#### Disproportionately low-income --



#### Disproportionately less-educated --



**750,000**  
Average # of Workers Displaced by Covid-19 per month in 2020

Un- & underemployment Rate in Jan 2021

Unemployed Workers

**24.8%**

Involuntarily Part-Time Workers

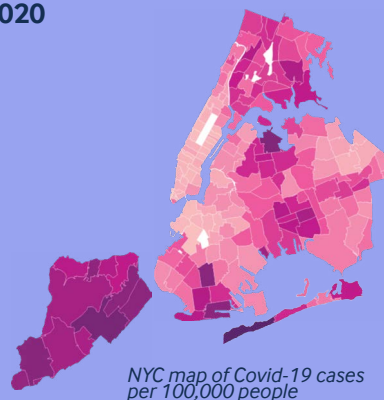
**490,000**

Labor Force Dropouts

**320,000**  
**201,000**

*Covid-19 Cases per 100,000 people, Jan 2021*

Bronx	9,424
Brooklyn	7,535
Manhattan	5,673
Queens	8,563
Staten Island	10,923



*# Unemployment Insurance recipients, Jan 2021*

278,000	Bronx
403,000	Brooklyn
197,000	Manhattan
379,000	Queens
64,000	Staten Island

#### Disproportionately people of color --

<b>41 - 50%</b>	Black	<b>18%</b>
<b>31 - 40%</b>	Latinx	<b>31%</b>
<b>1 - 10%</b>	White	<b>32%</b>
<b>10 - 20%</b>	Asian & All Other	<b>18%</b>

● Workforce Program Clients

#### Face significant barriers --

<b>31 - 40%</b>	Housing Insecure	<b>48%</b>
<b>31 - 40%</b>	Food Insecure	<b>67%</b>
<b>20 - 39%</b>	Lack Digital Access	<b>n/a</b>

● Workers Displaced by Covid-19

<sup>2</sup> Data above comes from the following sources: J. A. Parrott and L. Moe, "NYC Won't Snap Back," Center for New York City Affairs, Feb. 2021 (<http://www.centrernyc.org/reports-briefs/new-york-citys-covid-19-economy-will-not-snap-back>) and "The Covid-19 New York City Economy Three Months In: Reopening, and a Continuing Low-Wage Worker Recession," Center for New York City Affairs, June 29, 2020 ([www.centrernyc.org/reports-briefs/2020/6/29/the-covid-19-new-york-city-economy-three-months-in-reopening-and-a-continuing-low-wage-worker-recession](http://www.centrernyc.org/reports-briefs/2020/6/29/the-covid-19-new-york-city-economy-three-months-in-reopening-and-a-continuing-low-wage-worker-recession)); I. Lew, "The Pandemic Economy: COVID-19 Fallout Continues to Hit Low-Income New Yorkers the Hardest," Community Service Society, November 19, 2020 ([www.cssny.org/news/entry/pandemic-economy-covid-fallout-low-income-new-yorkers](http://www.cssny.org/news/entry/pandemic-economy-covid-fallout-low-income-new-yorkers)); and NYC Department of Health Covid-19 Data ([www1.nyc.gov/site/doh/covid/covid-19-data-totals.page](http://www1.nyc.gov/site/doh/covid/covid-19-data-totals.page))

## 2. Workforce Development Organizations: Overview of Employment Services & Training Programs Before & During Covid

The workforce development organizations surveyed here provide a broad range of employment services as well as education and training programs across New York City, helping to train workers and place them in fields from childcare and construction to financial services and green jobs. While some organizations have constituents in sectors that have maintained steady employment or have begun to recover, such as financial services and healthcare, other sectors in which organizations are involved remain hard hit, such as food services and hospitality, social services, and retail.<sup>3</sup>

Surveyed organizations overwhelmingly serve constituents of color. On average across the 54 organizations that estimated their client demographic distribution, 90 percent of workers who utilize these workforce development services are Black, Latinx, Asian, or other non-white workers, while 10 percent of constituents are white. The unemployment crisis created by Covid-19 follows a similar pattern of disproportionate effects on persons of color. Over two-thirds (68 percent) of job losses are among persons of color, with Latinx workers bearing a particularly high burden, experiencing 31 percent of lost jobs compared to a 27 percent share of all New York City private sector jobs in December 2020.<sup>4</sup>

Workforce organizations provide already-trained workers with job placement services, but they also provide training and education programs for workers seeking to enter the workforce or change jobs. Prior to the beginning of the pandemic in March 2020, workforce organizations offered job placement programs in construction (43 percent of respondents), followed by non-profit social services (36 percent), retail (32 percent), food and hospitality (32 percent), healthcare (29 percent), security (27 percent), technology (25 percent), industry and manufacturing (20 percent), the arts (20 percent), and a number of other fields.<sup>5</sup> (See the Appendix for a list of the organizations surveyed.<sup>6</sup>)

Since the start of the pandemic, many organizations have changed their employment placement program offerings, as well as their services in education and training. These changes reflect the serious and ongoing challenges posed by the pandemic and the pandemic economy, with public health concerns as well as budget reductions requiring organizations to adapt and pause some of their program offerings. The industries with the most dramatic reduction in employment placement programming were led by retail (-28 percent in number of programs offered), food and hospitality (-17 percent), and creative and cultural programs (-27 percent). Those areas of program reduction reflected not only the organizational challenges of public health and budget concerns faced by workforce organizations, but also the sector's adaptation and resilience in the face of a changing job market. Industries such as retail and hospitality have largely face-to-face jobs and are sectors that have had among the greatest job displacements in the past year.<sup>7</sup> Retail, an industry that was initially very hard-hit by pandemic closures (reporting job losses of up to 27 percent in April 2020) still remains a large employer of entry-level workers, young adults, and workers without a college education. Its rebound has been uneven, with retail jobs in clothing and electronics showing slower rates of recovery, while grocery and drug store retail jobs as well as e-commerce have showed stronger employment levels.<sup>8</sup> The shift in workforce organizations' program offerings demonstrate how organizations are confronting both serious and ongoing organizational constraints, from adapting in-person trainings and weathering budget shortfalls, to adapting to the shifts of the swiftly changing labor market.

**2020 saw the worst single-year New York City job decline since the 1930s.**

<sup>3</sup> See J. A. Parrott and L. Moe, "The New Strain of Inequality: The Economic Impact of Covid-19 in New York City," Center for New York City Affairs, April 15, 2020 (<http://www.centrernyc.org/reports-briefs/2020/4/15/the-new-strain-of-inequality-the-economic-impact-of-covid-19-in-new-york-city>) and "The Covid-19 New York City Economy Three Months In: Reopening, and a Continuing Low-Wage Worker Recession," Center for New York City Affairs, June 29, 2020 (<http://www.centrernyc.org/reports-briefs/2020/6/29/the-covid-19-new-york-city-economy-three-months-in-reopening-and-a-continuing-low-wage-worker-recession>).

<sup>4</sup> Ibid

<sup>5</sup> Because many organizations offer training in more than one field, percentages do not add up to 100%.

<sup>6</sup> While some survey respondents remained anonymous, Appendix 1 lists the respondents that identified themselves.

<sup>7</sup> We define the broad category of face-to-face work to include: restaurants and hotels, administrative support services, transportation and warehousing, personal services, retail, arts and entertainment, and others. For a complete list, see Parrott and Moe, "The New Strain of Inequality."

<sup>8</sup> J. Parrott and S. Lewandowski, "Pandemic-induced upheaval in New York City's Retail Sector," December 15, 2020. <http://www.centrernyc.org/reports-briefs/2020/12/15/pandemic-induced-upheaval-in-new-york-citys-retail-sector>

## Supporting NYC's Industries

Workforce organizations train and connect jobseekers to all sectors of the economy. They are particularly well positioned to support sectors and workers that have been hardest hit by the pandemic in getting back to work, as well as training and connecting jobseekers to stable sectors that are likely to grow in the recovery to come.

Data below represents **54 workforce organizations** responding to a survey in **September and October 2020**. Estimates of worker displacement reflect initial worker displacement by Covid-19 from March to April 2020.

Stable Sectors During Pandemic	Low Estimate of Worker Displacement <sup>9</sup>	High Estimate of Worker Displacement	# Workforce Programs Added or Sustained during Covid-19	# Workforce Programs Stopped during Covid-19
Healthcare	5%	8%	13	3
Tech	4%	8%	15	1
Green / Sustainability	n/a	n/a	12	0
Security	n/a	n/a	14	1
Financial Services	6%	12%	8	1
Government / Public Sector	n/a	n/a	9	2
Other	n/a	n/a	7	0

Sectors Hardest Hit by Pandemic	Low Estimate of Worker Displacement	High Estimate of Worker Displacement	# Workforce Programs Added or Sustained during Covid-19	# Workforce Programs Stopped during Covid-19
Childcare	50%	75%	2	1
Food / Hospitality	60%	70%	16	5
Retail	50%	75%	13	6
Non-profit	n/a	n/a	17	2
Social Services	n/a	n/a	17	2
Construction	27%	51%	24	0
Freight / Transportation	50%	70%	9	0
Industrial / Manufacturing	40%	75%	12	1
Creative / Cultural	60%	75%	7	4

<sup>9</sup> For low and high displacement data see J. A. Parrott and L. Moe, "The New Strain of Inequality: The Economic Impact of Covid-19 in New York City," Center for New York City Affairs, April 15, 2020 (<http://www.centrernyc.org/reports-briefs/2020/4/15/the-new-strain-of-inequality-the-economic-impact-of-covid-19-in-new-york-city>)



### 3. NYC's Covid-19 Economy & Labor Market

The struggles and accomplishments of New York City's workforce development sector to adapt to these challenges should be understood against the economic backdrop of historic job losses, dramatic shifts in patterns of work, unequal and disproportionate impacts on the city's most vulnerable workers, and extreme, often competing, demands made on the personal and professional lives of New York City's workers. As the center of the first wave of Covid-19, New York saw a steeper job decline than did the rest of the nation, and even by January of 2021, the city's job level was still down more than twice that of the nation overall (-14 percent versus -6 percent);<sup>10</sup> see Figure 1. New York City's February-to-December 2020 job loss was five times that of the Great Recession and a third worse than the combined economic downturn resulting from the early-2000s national recession and the 2001 attacks on the World Trade Center. Nearly one out of every five New York City jobs (870,000) were lost in the second

quarter of 2020, and only 40 percent had been re-gained by the fourth quarter. Overall, 2020 saw the worst single-year New York City job decline since the 1930s.

Low-income workers and communities of color have been the hardest hit by Covid-19, as well as by job loss and economic hardship. The pandemic has levied starkly different economic effects on low- and high-income workers. Nearly two-thirds (64 percent) of those likely to have lost a job had annual workplace earnings of less than \$40,000, while only nine percent had earnings of more than \$100,000.<sup>11</sup> Additionally, there are some demographics that have been particularly hard hit. From June to November 2020, unemployment rates remained high across the board for men and women (15 and 16 percent, respectively); however, the unemployment rate among men of color was nearly twice that of white men (18 percent versus nine percent unemployment).

Entry-level workers, those without a four-year college degree, and younger, recent immigrants, and persons of color have a large presence in the face-to-face industries

**Figure 1. Nearly one year out, New York City jobs were 14% below pre-pandemic levels, more than double the national losses**

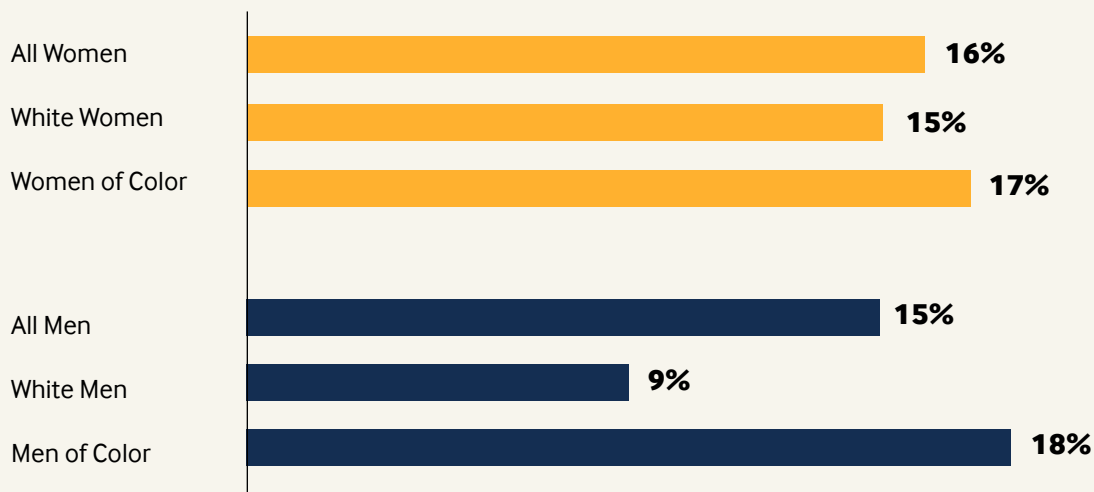


Source: U.S. Department of Labor (USDOL), New York Department of Labor (NYSDOL); not seasonally adjusted Current Employment Statistics data.

<sup>10</sup> J. Parrott, NYC's Covid-19 Economy Will Not Snap Back," Center for New York City Affairs Report, February 12, 2021. Figure 1 from this report was updated to reflect the revised employment data released in early March 2021.

<sup>11</sup> Our estimates extrapolate from historic demographic distribution; for more detailed methodology, see: J. Parrott, "New York City's Economy will Not Snap Back," Feb. 12, 2012, Center for New York City Affairs. <http://www.centernyc.org/reports-briefs/new-york-citys-covid-19-economy-will-not-snap-back>.

**Figure 2. Average unemployment in NYC for men of color is twice that of white men**



hardest hit by pandemic job losses. Economic hardships and food and housing insecurity have exploded over the past year. The massive scale of job loss and its long, often uncertain, duration pose unprecedented challenges. More than half a million workers may have been out of work for more than six months, and nearly a quarter of a million have left the labor force altogether. Factoring in those leaving the labor force and an estimated 320,000 involuntary part-time workers, New York City's combined unemployment and underemployment at the end of 2020 was 24.5 percent, more than twice the "official" New York City 11.4 percent unemployment rate. While New York City will continue to add jobs as business restrictions ease and the economy rebounds, tens of thousands of workers will need help getting reconnected to the workforce and to full-time jobs.

Workforce development organizations play an essential role in helping the city respond to this ongoing job market upheaval, matching workers permanently dislocated from their previous jobs with suitable openings in other fields, providing necessary skills training for new workers, and helping other workers upgrade their skills so they can move into promising opportunities in technology, health care, and other industries as the economy adjusts to the changes wrought by the Covid-19 outbreak. It is not an exaggeration to note that New York City has not faced a labor force re-mobilization challenge of this magnitude since the end of World War II.

## 4. Operational Challenges During the Pandemic

Workforce development organizations face a complicated landscape of increased need, shifting client demand, and diminished resources. Since the beginning of the pandemic, hiring has slowed or been frozen in many sectors, prompting some organizations to shift their training focus and develop new areas of service. At the same time, organizations have had to build new digital training infrastructures to deliver services remotely. Many of these digital technologies have transformed work and the adoption of a range of digital tools is likely to remain after the pandemic recedes.<sup>12</sup> All of these new challenges are being met under tightening budgetary constraints.

Following a suspension of programming in the early months of the pandemic, organizations have had to overcome numerous challenges to reopening in-person, hybrid, and virtual services. Figure 3 shows the percent of respondent organizations reporting obstacles to reopening (organizations may have reported multiple problems).

Prominent among these challenges are a lack of funds for additional cleaning and PPE. For organizations seeking to provide in-person training while maintaining

<sup>12</sup> In a recent report, the McKinsey Global Institute also underscored that digital adaptations and transformations are likely to remain in many work sectors. In some cases, this will mean the shift from on-site to remote work, but in other cases, such as retail where e-commerce jobs have risen while in-person jobs have fallen, there will be a shift in kinds of jobs available to entry-level workers. See: <https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-after-covid-19>.

social distancing, a perennial shortage of office space among New York City-based non-profits has also slowed organizations' abilities to re-open and re-envision their services. Respondents indicated anticipating having to redirect up to 10 percent of their budgets to retrofitting, PPE, and cleaning supplies in order to be safely open for in-person training.

## 4.1 Training Essential Workers

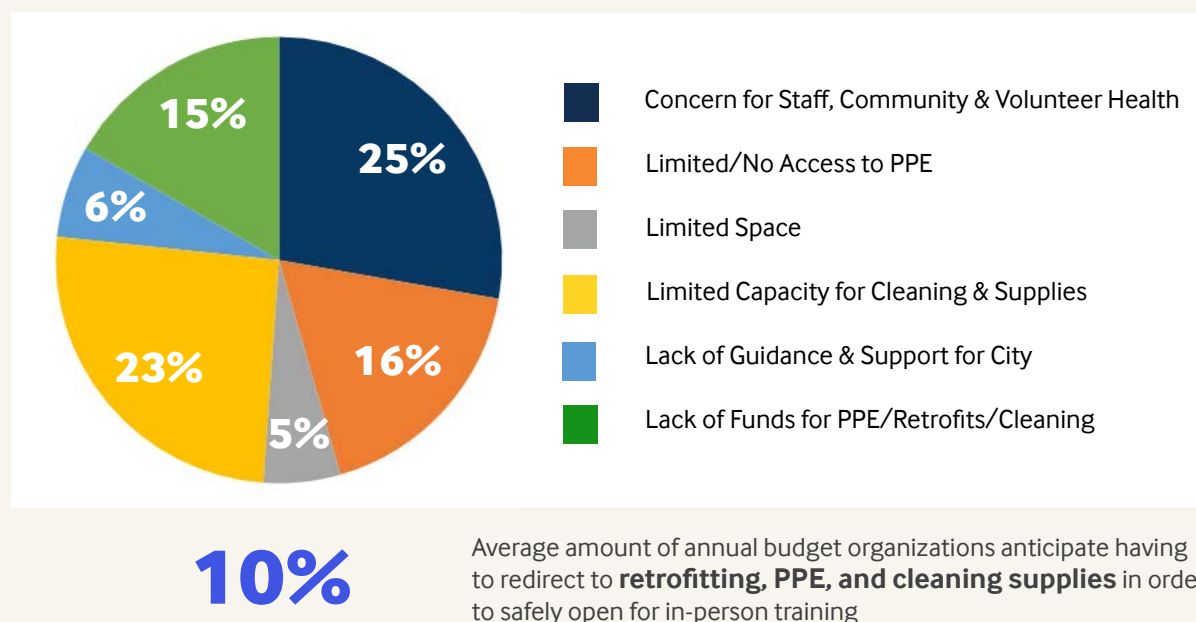
Some workforce development organizations provide programs that fall into categories the State has deemed essential to the recovery effort, such as healthcare and childcare.<sup>13</sup> While essential businesses, including both for-profit and non-profit enterprises, must comply with health mandates for providing a clean and safe work environment, they were allowed to continue to operate in-person during New York City's shutdowns if they were able to provide PPE and sufficient space for social distancing. When asked whether they were capable of pivoting existing training to serve essential industries, 40 percent of organizations answered "yes," followed by 36 percent answering "maybe," and 24 percent answering "no." Among those optimistic they could begin to incorporate more services in essential industries,

most were considering adding training programs in healthcare and healthcare technology as well as focusing employment placement services on the need for grocery store employees. In addition to those programs that organizations are able to retool for virtual training, in-person programs that train workers for jobs in essential industries will be able to remain open should the City and State again have to temporarily close businesses.

## 4.2 Meeting Increased Community Demand

Despite the difficulties faced in reopening, nearly half of the surveyed organizations reported that they had seen increased demand since the beginning of the pandemic for employment placement services (44 percent) and education and training services (47 percent). Looking ahead to the coming year, a strong majority (63 percent) expressed concern that they would not be able to meet the need for employment placement services in the next six months, while a quarter of respondents anticipated being unable to meet demand for education and training services (26 percent). As discussed later in this report, many organizations expressed concern about their own capacity to meet social distancing and safety guidelines

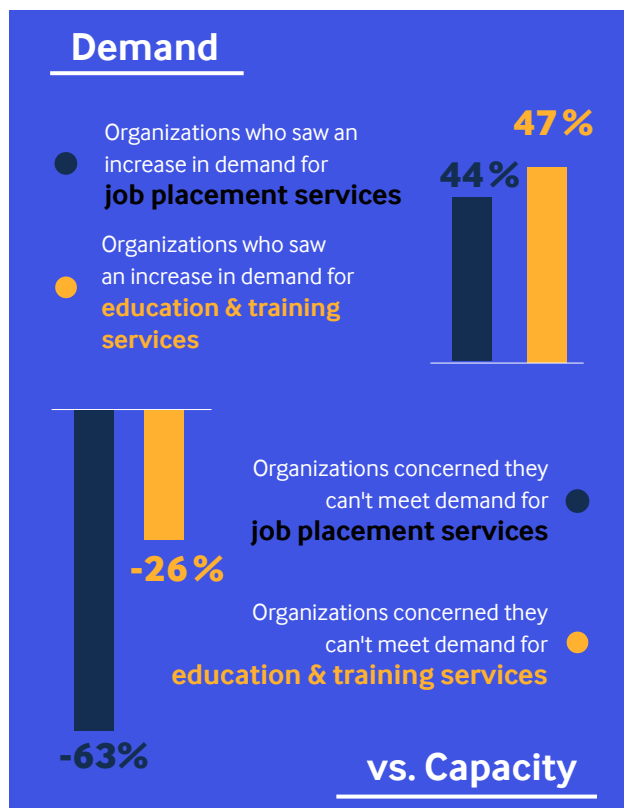
**Figure 3. Challenges organizations reported to reopening**



<sup>13</sup> "Guidance for Determining Whether a Business Enterprise is Subject to a Workplace Reduction Under Recent Executive Orders," Office of Empire State Development, updated October 23, 2020, (<https://esd.ny.gov/guidance-executive-order-2026>).

for clients and staff, given limited space, budgetary constraints, and the simultaneous demand of making a technological leap to a virtual or online environment.

By the conclusion of this survey in early November 2020, nearly half of the respondents had already had to reduce the employment services (44 percent) and education and training services (46 percent) they offer. Another quarter anticipated further reductions in the next six months to their employment and placement services (25 percent) or education and training services (23 percent) over the same period. Respondents indicated that the reduction in services had a number of causes. Some training programs that could not be transitioned to online certification had to be temporarily halted to meet health concerns. Other programs that were in part or wholly transitioned to digital training were hampered by difficulties experienced by clients in accessing online services and by budget cuts that reduced organizational capacity to deliver these more complex programs.



Workforce training organizations have maintained and established new partnerships with industries in which the jobs recovery is picking up steam. However, many organizations have pointed out that the recovery effort is providing fewer good opportunities for entry-level jobs. As one organization put it: "While we haven't changed our core training, we have adapted to placing

more people in careers that are currently hiring. Our clients have immediate need of employment and can't always wait for dream jobs; they have to be connected to employment right now, both to pay the bills and to build up their resume and skills for future placement. So, there have been more interim placements rather than permanent placements, or what we think of as a job for now, rather than the dream job. Before Covid, we were about 60-40 permanent, now we are 60-40 interim placement. The shift hasn't been as great as we feared at the beginning of the pandemic, but it has meant an expansion of relationships with interim placements."

"Across the board, we saw increased demand for training and increased need for help finding employment opportunities. But, at the same time, many families had even more immediate demands for essential economic assistance in securing food and technology. These immediate needs may have temporarily overshadowed training and placement interest. But the demand for training never decreased."

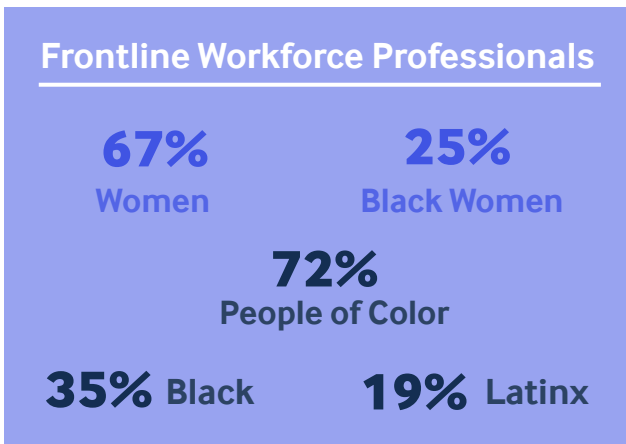
– Workforce Service Provider

## 5. Covid-19 Impact on Workforce Development Professionals

While workforce development organizations have had to pivot rapidly to continue to provide services to communities in need, in many cases they have had to do so with fewer staff members, and many who were also coping with their own and their families' well-being. Organizations reported both concern about the increased workload for employees and the economic, health, and equity effects of having to lay off, furlough, and reduce the hours of staff members. Employees at workforce development organizations are tasked with developing pathways for the professional success of their fellow New Yorkers. But in many cases, these staff members are also anxious about their own professional

security and well-being, in some cases made precarious by budget cuts, layoffs, increased workloads, as well as having to cope with school closures and the health and economic insecurity of family members. Surveyed organizations were concerned about low staff morale due to staff and budget cuts that have already been made. They feared even deeper cuts and lower morale would follow without additional funding.

Many organizations report having had to lay off staff (38 percent) or furlough staff (20 percent) in 2020. For those organizations who reduced staff, they reported having to lay off an average of nine percent of their staff and furlough an average of 20 percent. Other organizations reported hourly reductions, having to transform full-time positions into part-time positions, putting off filling vacant positions, and creating innovative work-share arrangements in which all employees worked a percentage of full-time. In addition, more than a third of respondents anticipate having to implement further reductions in the next six months. Organizations foresaw that staff reductions would take the form of layoffs (37 percent) or hourly reductions (31 percent).



## 5.1 Equity Issues

More than a quarter of responding organizations were concerned that staff layoffs and furloughs would have equity repercussions for their low-income workers and workers of color. Respondents raised several issues: How will salaries be reset for workers who are rehired or return from furlough? How can organizations continue to provide essential services, many of which are in even higher demand since the beginning of the pandemic, with fewer staff members? In many cases, organizations reported that furloughed and laid-off staff members were among the most junior workers who, with less

work experience and lower compensation, would suffer greater economic setbacks by being detached from their workplace. In many workforce organizations, women and people of color constitute the majority of the workforce development frontline positions: 72 percent of frontline workforce professionals - such as trainers/instructors, job developers, career advisors, case managers, and job coaches - are people of color (35 percent Black and 19 percent Latinx) and 67 percent are women (with Black women making up 25 percent of the frontline workforce).<sup>14</sup> Some organizations reported scrutinizing how layoffs would affect staff members of color; others worried about the prospect of retrenchment strategies that would have negative equity effects on their organization as a whole.

"Covid-19 has disproportionately impacted communities of color in both infection rate and unemployment rate. We know that historically marginalized communities are hired less and laid off more. We saw it during the Great Recession and we're seeing it again today. **Our recovery effort is an opportunity to correct systemic equity flaws in our workforce.** New Yorkers need to have access to training and certifications in sustainable sectors like tech, education, and construction. We need to provide the necessary resources for our small businesses to rebound, including bringing their employees with them and hiring new, local residents that will support their post-Covid-19 talent needs."

– **Manhattan Borough President**  
**Gale A. Brewer**

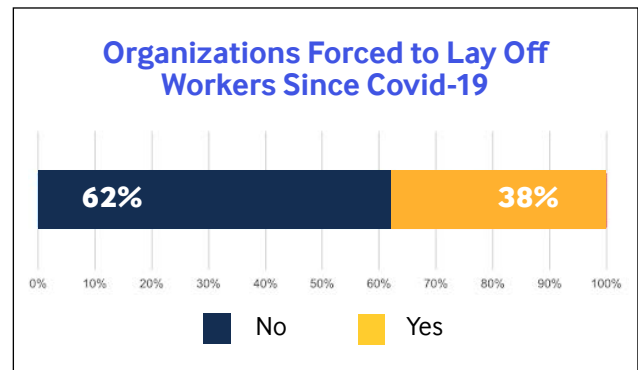
<sup>14</sup> Data from a survey distributed by the Workforce Professional Training Institute, August 2020 ([https://pronto-core-cdn.prantomarketing.com/552/wp-content/uploads/sites/2/2020/08/WPTI\\_Voices\\_Report1\\_FINAL-1.pdf](https://pronto-core-cdn.prantomarketing.com/552/wp-content/uploads/sites/2/2020/08/WPTI_Voices_Report1_FINAL-1.pdf))

## 5.2 Budgetary Challenges

A strong majority of workforce organizations in this survey receive funding from a City contract (71 percent) or City discretionary funding (58 percent). (Discretionary funding is awarded by City Council members, as opposed to services provided under contract with City agencies.) Of those who receive City funding, 64 percent reported a decrease in funding through contracts and 72 percent saw a decrease in discretionary funding. Additionally, many reported payment delays of City contracts (33 percent), State contracts (34 percent), and private philanthropy (nine percent). Overall, compared to the previous City fiscal year, 96 percent of organizations have seen a decrease in revenue due to reduced City contract funding, State contract funding, private philanthropy or fundraising.

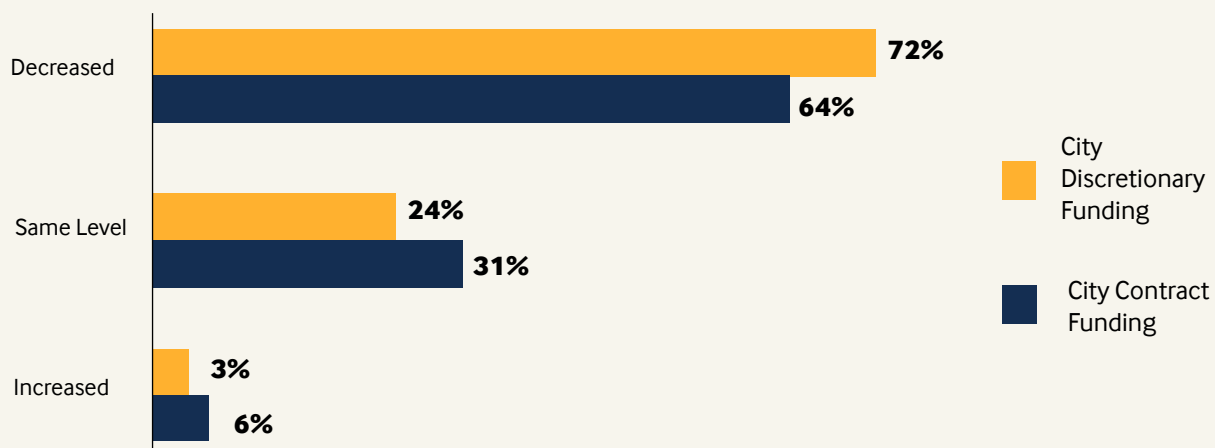
More than a third of organizations decreased their staff size in response to the fall in City funding (38 percent). Many organizations outlined the strain of continued uncertainty about City funding, reporting that they had been asked to present alternative budgets with significant personnel cuts. Some said they had been left in the dark as to whether their contracts will be renewed. Some organizations pointed out that cuts in discretionary funds brought about by City Council legislation have gone overlooked and that these cuts have affected a range of programs, such as initiatives targeting senior citizens and young women. Because discretionary funding often covers hourly workers, low-income workers have borne the brunt of the suffering caused by cuts in discretionary City funding. Finally, many organizations report that the full repercussions of City funding shortfalls have yet to be felt because Federal Paycheck Protection Program (PPP) loans have allowed

organizations to bridge budget gaps temporarily: 71 percent of respondents applied for a PPP loan and 70 percent received one. However, small and neighborhood-based organizations that traditionally face outside barriers to funding have had a harder time accessing PPP and other alternative financing mechanisms. Combined, these financial pressures and temporary solutions mean that the challenges facing the workforce sector will be felt especially by small and neighborhood-based organizations that traditionally serve communities with larger barriers to employment and have key roles to play in facilitating economic recovery and employment equity.



Because workforce organizations had to adapt their program offerings both to in-person and virtual constraints to meet changing labor market demand, flexible funding became more important. Some organizations were able to work with funders to redirect funding streams and rethink program offerings. This flexibility allowed these organizations to continue to offer services under constantly changing conditions.

**Figure 4. Organizations reporting changes in FY21 NYC funding**





## 6. Remote Training & Programs: Hurdles, Adaptations & Opportunities

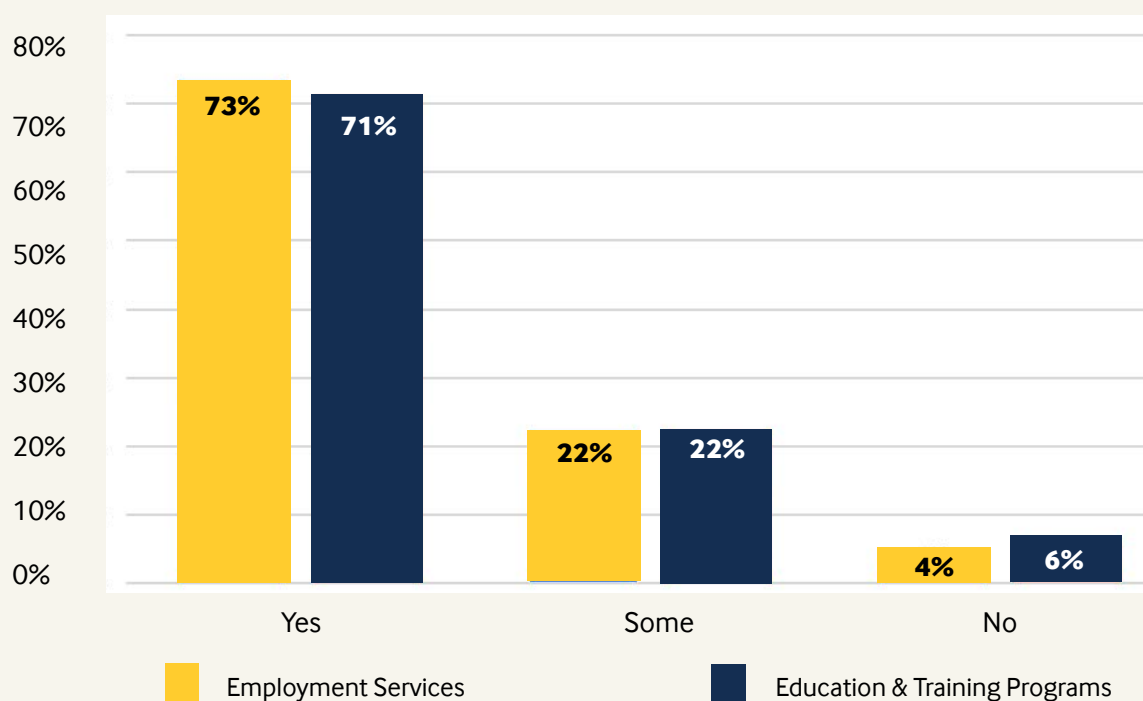
In response to New York City's spring lockdown and in order to adapt to continued social distancing policies needed to curb the spread of Covid-19, workforce development organizations have had to assess which programs can be transitioned to remote instruction and how to retool and reformat trainings so as to be successful in online learning environments. Despite the budgetary, staffing, and curricular challenges associated with the implementation of remote learning, nearly three-quarters of the respondent organizations have shifted their programs to remote or virtual environments (see Figure 5).

The hands-on nature of many workforce development programs makes some offerings less adaptable to remote work than others. For the 24 workforce development programs offering construction training, a transition to online instruction has been particularly difficult, and organizations have had to be innovative in developing at-home projects, online pre-apprenticeship programs, and virtual introductions to construction skills and union culture. Following the economy's gradual reopening this past fall, many programs have resumed

in-person instruction in much smaller groups (requiring more staff members) or adopted hybrid approaches which utilize online certification followed up by small-group in-person opportunities to solidify hands-on skills. Culinary training, for which in-person instruction is essential both for client safety and for learning good technique, is also difficult to move online. Building repair technician training and custodial work also typically require at least some hands-on and in-person instruction. And some programs have been very challenging to move online, such as crew works services, or transitional jobs services particular to NYCHA, which must be 100 percent in-person.

In addition to the difficulty of adapting training to virtual platforms, other important benefits of worker readiness programs can be lost with the disappearance of group and in-person interactions. Training in soft or durable skills (as opposed to hard or perishable skills that are technical and often organization specific), of the kind that accrue through workplace role-playing activities (such as effective communication, listening, and problem solving), is greatly impeded without the dynamics of in-person group interaction. Prior to the pandemic and in the face of increasing automation, soft skills had been consistently named as critical skills that employers seek and express hardship in finding candidates with them: recent studies found that 59 percent of surveyed hiring managers and 89 percent of executives reported

**Figure 5. Transition to remote/virtual programming**



difficulty recruiting candidates with the requisite soft skills.<sup>15</sup> In a Covid and post-Covid economy, these skills – particularly digital fluency, resilience and flexibility – are becoming even more essential and in demand.



“We anticipate healthcare being a sector of growth, as well as customer service training and tech. But, given that it is hard to predict what the economic recovery will look like, our work is to position young people with essential skills that they can transfer to other career tracks. We continue to survey local employers as well as look at labor market data. During the pandemic, we’ve been experimenting with bootcamp or micro-training that can be quickly focused on opportunities in local employment.”

– **Workforce Service Provider**

Despite the numerous challenges they face, workforce development organizations have pivoted strongly to adapting their curricula to online environments. Some worker readiness and training areas have allowed for a smoother transition to remote learning, such as technology and cybersecurity training. While some training schemes that require in-person interaction in sectors such as healthcare have had to be suspended, programs in other sectors have been swiftly adapted to virtual environments. Programs targeting financial services, technology, and sustainability are among those that have been successfully migrated online by workforce development groups. Other respondent organizations have seized opportunities to add online programming where employment opportunities have grown. While most organizations have had to decrease both employment services and educational training since the beginning of Covid, the only two employment areas to have shown program growth are Financial Services and Green/Sustainability jobs (see Figure 1). Business

closures and hiring freezes since the pandemic began mean that some organizations have shifted training priorities to providing workers with more competitive and more in-demand skill sets, such as training in computer programming, online medical billing, or cyber security.

The transition to remote learning has offered some opportunities for rethinking or supplementing long-established program models. Organizations have adapted and, in some cases, added new online placement and employment services, such as Zoom mock interviews, virtual resume reviews, and online job fairs. All these virtual programs can draw from a wider pool of professionals and employers whom organizations may not have been able to bring together for in-person events. Job coaching and mentorship can be effectively delivered through virtual or hybrid programs, as well as guest speaker series. In addition, incorporating remote training has made it easier for some staff to attend evening work commitments without having to pay for childcare. The potential for expanded employment and placement services shows how, with sufficient funding, workforce development organizations can be effective players in the remote and virtual training space.

### Digital Poverty



**20 - 39%**

Workforce development clients  
**lack digital access**  
(do not have a device and/or broadband)

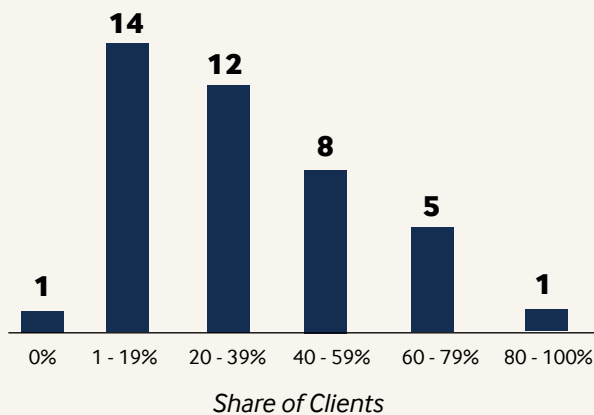
<sup>15</sup> Ryan Craig. America's Skills Gap: Why It's Real and Why It Matters. Progressive Policy Institute. March 2019. <https://www.progressivepolicy.org/wp-content/uploads/2019/03/SkillsGapFinal.pdf>

## 6.1 A Growing Digital Divide: Challenges for Workers & Students Accessing Virtual Training

The lack of reliable access to technology for clients to participate in remote learning was pointed out across the board by survey respondents. While organizations worked to overcome their own staffing, budgetary, and curricular challenges to deliver virtual and remote programming with a quick turnaround, they found that their clients often did not have the hardware or reliable internet connection required to access the programming and training. Many organizations underscored that the long-existing gap in access to technology had widened during the Covid crisis, with low-income individuals and families living in public housing finding it increasingly difficult to acquire the laptops, webcams, hotspots, and headsets necessary for remote learning.

Some organizations have absorbed significant hardware expenses to facilitate continuity of services for their clients, including outlays for tablets, laptops, and internet hotspots. Organizations indicated that these expenditures were difficult amid budget cuts, but unavoidable. Additional staff time also was spent in navigating the guidelines issued by the New York State Department of Health in September 2020 that set out new rules and requirements for how organizations could apply to offer for hybrid trainings.

**Figure 6. Workforce development organizations reporting constituents facing technological barriers to online programs and service access**



More investigation is needed to determine how families with limited technological resources are sharing those resources among members of the family with competing needs such as remote work, jobs training, and school. Overall, though, workforce development organizations report that the digital divide continues to prevent their clients from being able to easily and consistently access online programs. The survey reveals that workforce development organizations see an average of 20 to 39 percent of clients face continuing barriers to

“While we have seen an increase in the number of people who are interested in remote training, the number of people in the population we serve who have the ability to participate (technology/internet access) has prohibited some trainees from being served.”

— Workforce Service Provider

accessing online programs and services due to lack of necessary technology (see figure below). As workforce organizations decide what virtual programs to retain, addressing the technological barriers faced by low-income communities, immigrants and other historically marginalized communities will be essential to ensure these constituencies have access to digital training and the growing digital economy.

A recent study from UCLA showed that the ability to work remotely is associated with reduced job displacement and reduced need for unemployment insurance, with those able to work from home half as likely to be displaced from their jobs due to the pandemic compared to those who did not switch to remote work. In addition, those able to access remote work are not evenly distributed by race and ethnicity, income, or education; instead, Census survey data demonstrate that while 34 percent of White and 44 percent of Asian workers switched to remote work during the pandemic, only 26 percent of Black and 27 percent of Hispanic workers were able to do so. Furthermore, a racial disparity in access to remote work remained even when accounting for income and education.<sup>16</sup>

<sup>16</sup> R. Singerman Ray and P. Ong, “Unequal Access to Remote Work During the Covid-19 Pandemic,” UCLA Center for Neighborhood Knowledge, November 23, 2020 ([https://knowledge.luskin.ucla.edu/wp-content/uploads/2020/12/RemoteWork\\_v02.pdf](https://knowledge.luskin.ucla.edu/wp-content/uploads/2020/12/RemoteWork_v02.pdf)).

## 7. Conclusion

The workforce development organizations surveyed in this report have had to rapidly respond to dramatically changed labor market conditions while facing several intersecting challenges: diminished or delayed funding; the need to rework curricula often with a reduced number of staff members; and hurdles that clients face accessing digital instruction have had to be assessed and, in some cases, combated by additional expenditures on software, hardware, and broadband access.

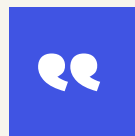
Workforce development organizations have responded by developing new digital infrastructures and training tools even as they have devoted an increasing share of their limited funds to maintaining safe and clean training spaces. While the American Rescue Plan will aid the City and New York State in closing budget gaps, many workforce organizations already had to lay off or furlough staff, with many reporting concerns that these personnel cuts fell on the newest and most economically vulnerable staff members. Those frontline workers will themselves need help getting reconnected to work. However, throughout the pandemic, even while stretched in budgetary and personnel terms, many of these workforce organizations have reported making huge technological leaps and developing new programs to train workers for essential industries in order to meet the needs of the New York economy as it begins to recover.

This survey has revealed that there are many areas where organizations developed new expertise and new best practices, especially around digital training. During a turbulent time in which employees saw peers furloughed or laid off, staff rapidly developed the skills necessary to deliver training programs online. Many work-from-home staff used ZoomPro and YouTube to create user-guided videos for remote course offerings. While many organizations have successfully navigated the challenge of selecting what platforms and online collaboration tools work best for them, many report that they would benefit from guidance about how to select learning platforms and how to mentor staff in effective use of online platforms. The challenges of adapting to remote learning may provide opportunities for collaboration and the sharing of expertise among workforce development organizations.

Given New York City's still staggeringly high unemployment numbers, many organizations will have to work hard to help their clients secure positions; many have developed new programs aimed at sectors of the economy in which re-hiring is strongest. Despite Federal assistance and PPP loans, organizations reported near-universal budget shortfalls, with the diminution of funding streams from City and State contracts and discretionary funding, as well as grants from private philanthropy. With the critical role that these workforce organizations will provide in fueling an economic recovery, it is essential that they be robustly supported in the coming year.

These organizations have been a part of New York City's life and economy for decades and, in some cases, a century or more. The longstanding institutional history of many workforce development organizations means that their knowledge, experience, and expertise in providing direct service to their communities are invaluable.

They are trusted members of their communities and, as such, have the opportunity to reach New Yorkers who have suffered the most from the health and economic crises of the past year. Because these organizations can reach, train, and find jobs for low-income workers of color, who have been most hard-hit by the disease and its wider economic repercussions, it is essential that these organizations remain intact to ensure an equitable recovery. These organizations will continue to work directly with members of their communities, but they will also be important intermediaries between neighborhoods and the city, between workers and aid programs. As a connection between workers, the professional workforce, the city's social infrastructure, and Federal aid programs, workforce development organizations will be able to inform lawmakers and shape policy response for a more rapid, effective, and just economic recovery.



**"Getting New Yorkers back to work will be a multi-agency effort that must be priority number one as we move into 2021 and a post-Covid world. As we seek to build back our economy better, it is essential that job training programs and services reach the five boroughs equitably and, likewise, that New York City businesses are connected directly with local talent in each and every one of our communities."**

**— NYC Council Member Paul Vellone**





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